

Message Text

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ACTION NEA-10

INFO OCT-01 EUR-12 ISO-00 EB-08 ERDA-05 AID-05 CEA-01

CIAE-00 COME-00 DODE-00 FEAE-00 FPC-01 H-01 INR-07

INT-05 L-03 NSAE-00 NSC-05 OMB-01 PM-04 USIA-06

OES-06 SP-02 SS-15 STR-04 TRSE-00 ACDA-07 DLOS-06

AF-08 /123 W

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R 081720Z MAR 77

FM AMEMBESSY ROME

TO SECSTATE WASHDC 3205

INFO AMEMBASSY ALGIERS

AMEMBASSY LONDON

AMEMBASSY PARIS

AMEMBASSY TRIPOLI

AMEMBASSY TUNIS

AMEMBASSY VALLETTA

USCOMSIXTHFLT

CONCUSNAVEUR

C O N F I D E N T I A L ROME 3749

E.O. 11652: GDS

TAGS: PLOS, ENRG, IT, LY,TS

SUBJECT: LIBYAN/TUNISIAN DISPUTE OVER DRILLING OPERATIONS

REFS: (A) TRIPOLI 263; (B) ROME 2867; (C) TUNIS 1194;

(D) TUNIS 1227; (E) TUNIS 1537

1. DURING MARCH 7 CALL BY EMBOFF, MINISTRY OF FOREIGN AFFAIRS
OFFICE DIRECTOR FOR MIDDLE EASTERN/NORTH AFRICAN ECONOMIC
AFFAIRS GALLI PROVIDED UPDATE ON LIBYAN/TUNISIAN DISPUTE OVER
EXPLORATORY DRILLING OPERATIONS BY SAIPEM (SUBSIDIARY OF
ITALY'S STATE HYDROCARBONS AGENCY ENI) IN GULF OF GABES.
SITUATION, ACCORDING TO GALLI, IS MUCH CALMER AND RISK OF
MILITARY INTERVENTION MUCH REDUCED. NEVERTHELESS, THREE
WARSHIPS (ONE EACH FROM LIBYA AND TUNISIA IN THE IMMEDIATE
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VICINITY OF THE BARGE AND AN ITALIAN VESSEL STANDING WELL OFF)
REMAIN IN THE AREA. THE BARGE SCARABEO FOUR HAS CEASED
DRILLING OPERATIONS AND CAPPED THE HOLE BUT REMAINS ANCHORED
OVER THE SPOT. ITS LEGAL STATUS IS THUS THAT OF SHIP ON THE
HIGH SEAS.

2. SAIPEM, ACCORDING TO GALLI, STILL UNDER PRESSURE FROM BOTH

LIBYA AND TUNISIA, THE FORMER TO RE-COMMENCE DRILLING AND THE LATTER TO LEAVE THE AREA. GALLI REITERATED THAT GOI'S MAJOR INTEREST IS TO PROTECT SCARABEO FOUR'S CREW (MOSTLY ITALIAN CITIZENS, SOME BRITISH AND LIBYANS, NO RPT NO U.S. CITIZENS) AND TO ASSIST SAPEM IN FREEING ITS VESSEL. GOI HAS NO DESIRE TO ENTER INTO MERITS OF EITHER LIBYAN OR TUNISIAN POSITION OR TO ACT AS MEDIATOR. NEVERTHELESS, GOI WISHES TO SEE SITUATION RESOLVED AND INSTRUCTED ITALIAN AMBASSADORS IN TUNIS AND TRIPOLI MARCH 4 TO APPROACH RESPECTIVE GOVERNMENTS TO PROPOSE ALTERNATIVES TO EASE PRESENT SITUATION (WHICH WOULD NOT, HOWEVER, RESOLVE UNDERLYING JURISDICTIONAL PROBLEM). FIRST ALTERNATIVE IS FOR BOTH SIDES TO ALLOW DRILLING OPERATIONS TO COMMENCE WITH THE ASSURANCE THAT THE RESULTING DRILLING INFORMATION WOULD BE GIVEN TO BOTH LIBYA AND TUNISIA; SECOND ALTERNATIVE IS TO DECLARE AREA IN WHICH SCARABEO FOUR OPERATING A NEUTRAL ZONE IN WHICH OPERATIONS WOULD NOT RPT NOT BE PERMITTED AND TO RELEASE THE DRILLING BARGE LEAVING THE HOLE CAPPED. GALLI REMARKED THAT FIRST WOULD BE PRESEUMABLY MORE ACCEPTABLE TO LIBYANS, SECOND TO TUNISIANS. HE WAS NOT RPT NOT OPTIMISTIC THAT EITHER WOULD BE ACCEPTED OR THAT PROBLEM WOULD BE RESOLVED ANYTIME SOON.

3. COMMENT: WHILE GOI UNDOUBTEDLY WISHES TO APPEAR EVEN-HANDED AND DISINTERESTED IN THIS DESPUTE, ITALY HAS A MUCH LARGER ECONOMIC STAKE IN LIBYA, BOTH AS A SOURCE OF OIL AND AS A LARGE MARKET FOR ITALIAN GOODS AND SERVICES:::WHICH THE ITALIANS ARE DOING THEIR BEST TO MAKE STILL BETTER. RECENTLY, LIBYA ACQUIRED A SIGNIFICANT STAKE IN FIAT. FURTHER, LIBYA'S RECORD FOR ERRATIC AND IMPULSIVE BEHAVIOR WORRIES THE GOI BECAUSE
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ITALY IS BY FAR THE MOST VULNERABLE PARTY.

4. ALTHOUGH NOT RPT NOT MENTINED BY GALLI, GOI HAS LITTLE REASON TO BE OVERLY SYMPATHETIC TO TUNISIANS: MFA AND GOI GENERALLY RECALL TUNISIAN INTRANSIGENCE IN FISHING DISPUTES AND SUBSEQUENT UNFAVORABLE (TO ITALY) SETTLEMENT AND MORE-RECENT TUNISIAN DEMANDS WHICH CAUSED ABANDONMENT OF ENI'S PROJECT TO CONSTRUCT ALGERIA-SICILY NATURAL GAS PIPELINE

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Decaption Note:
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Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
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